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# TIR 10-4: Interest Rate on Overpayments and Underpayments

The Department of Revenue is issuing this Technical Information Release (TIR) to announce the quarterly interest rate on overpayments and underpayments determined by the Department of Revenue pursuant to G.L. c. 62C, §§ 32 and 40, as amended. The interest rate on overpayments and underpayments was the same for periods prior to July 1, 2003. An amendment to G.L. c. 62C, § 40, contained in the FY '04 Budget, St. 2003, c. 26, § 196, reduces the interest rate paid by the Department on overpayments. Effective July 1, 2003, the interest rate on overpayments is the Federal short-term rate determined under § 6621(b) of the Internal Revenue Code, as amended and in effect for the taxable year ("Federal short-term rate") plus two percentage points, simple interest. The rate for underpayments pursuant to G.L. c. 62C, § 32, remains at the Federal short-term rate plus four percentage points, compounded daily.

2010	First quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
	Second quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
2009	First quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	4%	6%
	Second quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
	Third quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
	Fourth quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
2008	First quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	6%	8%
	Second quarter	
	<u>Overpayments</u>	<u>Underpayments</u>
	5%	7%

	Third quarter <u>Overpayments</u>	<u>Underpayments</u>
	4%	6%
	Fourth quarter <u>Overpayments</u>	<u>Underpayments</u>
	5%	7%
2007 (entire year)	<u>Overpayments</u>	<u>Underpayments</u>
	7%	9%
2006	First quarter <u>Overpayments</u>	<u>Underpayments</u>
	6%	8%
	Second quarter <u>Overpayments</u>	<u>Underpayments</u>
	6%	8%
	Third quarter <u>Overpayments</u>	<u>Underpayments</u>
	7%	9%
	Fourth quarter <u>Overpayments</u>	<u>Underpayments</u>
	7%	9%
2005	First quarter <u>Overpayments</u>	<u>Underpayments</u>
	4%	6%
	Second quarter <u>Overpayments</u>	<u>Underpayments</u>
	5%	7%
	Third quarter <u>Overpayments</u>	<u>Underpayments</u>
	5%	7%
	Fourth quarter <u>Overpayments</u>	<u>Underpayments</u>
	6%	8%
2004	First quarter <u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
	Second quarter <u>Overpayments</u>	<u>Underpayments</u>
	4%	6%
	Third quarter <u>Overpayments</u>	<u>Underpayments</u>
	3%	5%
	Fourth quarter <u>Overpayments</u>	<u>Underpayments</u>
	4%	6%
2003	First quarter 6%	
	Second quarter 6%	
	Third quarter <u>Overpayments</u>	<u>Underpayments</u>

	4%	6%
	Fourth quarter Overpayments 3%	Underpayments 5%
2002 (entire year)	7%	
2001	First quarter 10%	
	Second quarter 9%	
	Third quarter 8%	
	Fourth quarter 8%	
2000	First quarter 9%	
	Second quarter 10%	
	Third quarter 10%	
	Fourth quarter 10%	

The above rates may change quarterly. See TIR 92-6 for an explanation of statutory changes in interest and penalties effective January 1, 1993 and 830 CMR 62C.33.1: Interest, Penalties, and Application of Payments.

/s/Navjeet K. Bal  
Navjeet K. Bal  
Commissioner of Revenue

NKB:MTF:sg

March 9, 2010

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